

MEL CARNAHAN
GOVERNOR



Quentin Wilson
DIRECTOR OF REVENUE

MISSOURI DEPARTMENT OF REVENUE

POST OFFICE BOX 311

JEFFERSON CITY, MISSOURI

65105-0311

PHONE: (573) 751-4450

FAX: (573) 751-7150

Website: www.dor.state.mo.us

July 25, 2000

Dear Company Representative:

Uninsured motorists are a growing problem in this country. The citizens of Missouri are acutely aware of this and have pressed their state legislators to respond to this problem. This year, the Missouri General Assembly passed, and on July 12, 2000 the governor signed into law, House Bill 1797 that is aimed at reducing the number of uninsured motorists through the use of an enhanced insurance sampling program. The purpose of this letter is to give your company an idea of what will be required of you by this legislation.

House Bill 1797 establishes the requirement for all licensed insurance companies which sell private passenger (non-commercial) motor vehicle insurance policies in Missouri to electronically report to the Department of Revenue a record of each policy *issued, canceled, terminated* or *revoked* since the previous reporting period. As established in House Bill 1797, to support this sampling effort, reporting is required *at least monthly* and may commence on January 1, 2001. This record may include *at a minimum*: the name, date of birth, driver license or Social Security number and address of each insured; the make, year and vehicle identification number of each insured vehicle; and, the policy number, effective date of each policy and when coverage terminates, the date of that termination. Final record content will be determined by rules yet to be promulgated.

Insurers with a "*statistically insignificant number*" of policies in force (a number also to be promulgated by rule) are exempted from this electronic reporting requirement. (However, a hard copy of the record will be required.) Additionally, all policies issued to owners of fleet or rental vehicles or on vehicles that are covered by a commercial line policy are fully exempted from the reporting requirements.

To protect your company and this information once submitted to the department, House Bill 1797 contains specific provisions limiting access to this information. Additionally, any person or agency that knowingly discloses this information will be guilty of a class A misdemeanor.

July 25, 2000

Page 2

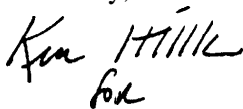
The Department of Revenue will develop software that will use the information provided by insurers to identify individuals without insurance for more than two months. Each month, some of these individuals will be randomly selected, notified to this effect and given the opportunity to show that he/she had insurance *on the day they were sampled*.

Senate Bill 19, passed in 1999, established a working group of representatives from several state departments and members of the insurance industry to facilitate implementation of the requirements of that legislation. Our intent is to have the implementation of House Bill 1797 requirements fall under the purview of this group that has already met for this purpose. In order to minimize the impact on any agency, state or industry, all proposed rules and requirements would be brought to this group for review, comment and/or guidance.

Although House Bill 1797 was just signed by the governor, the implementation team is currently in the process of identifying specific program requirements, i.e., file format, transmission protocols, etc. As soon as this information is available, it will be made available to you. In the interim, if you have any questions, please feel free to call the Enhanced Sampling Program Manager, Frank Ruggiero at 573-75 1-4005 or e-mail him at "Frank-Ruggiero@mail.dor.state.mo.us".

We look forward to working closely with your company in making this effort to reduce the number of uninsured motorists in Missouri a success while minimizing the impact on your company's operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Quentin Wilson" with a stylized flourish at the end.

Quentin Wilson